

Process Name: Payroll		Process Identifier: PY	
Sub-Process Name: Payroll Calculation		Sub-Process Identifier: PY-4	
Sub-Process Purpose and Objectives: Compute employee pay information, produce paycheck, direct deposits and deposit advices. Produce payroll reports and interfaces to other systems.			
Sub-Process Description: The payroll calculation process processes data from the payroll audit and additional data from the insurance department for employee insurance deductions to compute employee net pay and deductions. Paychecks and deposit advices are mailed to employees. Direct deposit information is sent to the State’s bank for processing. Actual deduction information is interfaced to insurance, retirement, STARS, and external systems. Following the initial run, data is reviewed by payroll and the agencies to determine which checks must be cancelled and re-issued. Once complete, payroll reports are available to the agencies for final review and approval. Once approved by the agencies, data is forwarded to personnel for final approval by the Commissioner of Personnel and then forwarded to Payroll for audit retention.			
Sub-Process Trigger(s): <ul style="list-style-type: none">• 7 days before payday		Key Sub-Process Participants: <ul style="list-style-type: none">• Personnel• Employee• Agencies• Payroll	
Inputs:			
Input	Format	Volume/Time	Suppliers
Data from payroll audit	Database	>50,000 employees/cycle	SEIS
Employee insurance deductions	TIS interface	Health – 39,000 Dental – 17,000 Optional life – 10,000	TIS
Liens and garnishments	Paper documents	500/pay period (manual calculations)	Courts, agencies
Outputs:			
Output	Format	Volume/Time	Recipients

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Paychecks	Paper checks	5,000	Employee
Direct deposits	Electronic interface	40,000	Bank
Deposit advice	Paper	40,000	Employee
Payroll register	Paper (Info Pac)	1/period/55 agencies	Agency, personnel, payroll
Payroll reports	Paper (Info Pac)	1 set/period (88 reports)	Agency, personnel, payroll
Performance Measures Tracked:			
Measure		Approx. Value	Target Value
Direct deposit participation		90%	90%
Laws, Regulations, and Policies That Govern Sub-Process:			
<ul style="list-style-type: none"> • FLSA • Minimum wage • Limits on liens • Processing fee for child support withholding • Garnishments – TCA 26-2-224, 22-2-222, 23-2-214 • 99 year retention of records • Payroll must be approved by Commissioner of Personnel (TCA 8-30-202(d)) • 401K limits • Bankruptcy • Grievances must be paid in 30 days TCA 8-30-28(i) • Child support – TCA 36-5-501(1)(3)A 			
Current Sub-Process Issues/Problems:			
<ul style="list-style-type: none"> • Non-standard payments are manually intensive • Many supplemental payments must be input each pay period • Garnishments and liens must be recalculated and entered each time period • Lack of exception reports make timely review difficult (each employee must be reviewed – usually on payroll register) 			
Improvement Opportunities:			

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Opportunity <i>Merge cells to link one Opportunity to multiple impacts)</i>		Organizational Impacts <i>(Individually list and describe laws [L] regulations [R], and policies [P], as well as cultural [C] considerations for each opportunity)</i>	
Automation of transactions that require special run (ex - terminated employees)		Reduction of manual calculations by agencies and personnel; reduction of errors	C
Automation of retroactive pay changes (individual and bulk)		Reduction of manual calculations by agencies and personnel; reduction of errors	C
Automation of liens and garnishments (200 new and 300 recurring per pay period)		Currently approximately 500 of these must be calculated and input each pay period; this would free up substantial resources if automated and reduce errors and follow-up actions by individuals receiving these payments	C
Provide for service of garnishments to F&A Payroll rather than each Commissioner; central processing of garnishments would simplify process and speed implementation		Change in statute is required; shift in change of responsibility	L/C
Ability to re-run payroll (for department/division or entire payroll)			
Modify statutory time limits on payments (grievances) that require special handling (have these coincide more closely with pay periods)		Change in statute is required; reduced warrant processing and special run input	
Applications that Support the Sub-process			
Application Name(s) <i>(Internal name and vendor's name)</i>		Technology Description <i>(Programming vendor, language, platform, database, etc.)</i>	
SEIS/CZAI		See PY-1	

